

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF ADMINISTRATION**

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JOINT MEETING

**RHODE ISLAND RENEWABLE ENERGY COORDINATING BOARD
RHODE ISLAND ENERGY EFFICIENCY & RESOURCE MANAGEMENT
COUNCIL**

November 27, 2012

9:00AM – 10:30 AM

**RI Department of Environmental Management
235 Promenade St., Providence, RI 02908
3rd Floor, Room 300**

AGENDA

WELCOME (Chairman Richard A. Licht)

The meeting was called to order by Chairman Licht at 9:30 AM.

**Renewable Energy Coordinating Board (RECB) Members in
Attendance:**

Janet Coit, Director, Department of Environmental Management

Grover Fugate, Executive Director, Coastal Resources Management Council

Marion Gold, Administrator, Office of Energy Resources

Chairman Richard Licht, Director, Department of Administration

William (Bill) Parsons, Acting Director, Economic Development Corporation

Energy Efficiency and Resource Management Council (EERMC)

Members in Attendance:

Chairman Paul Ryan

Environmental Policy Representative-Abigail Anthony

Small Business Representative-Dan Justynski

RECB Advisory Council Members in Attendance:

Doug Sabetti, Frank Epps, Bob Chew, Jennifer McCann, Bob Morton, Larry Dreisler, Michelle Mulcahy, Robert Tormey, Seth Handy, Jennifer McCann, Bruce DiGennaro, Karina Lutz, Bill Ferguson

Others in Attendance:

Chris Kearns, Paul Gonsalves, Nancy Hess, Hannah Morini, Charles Hawkins, Roland Moulin, Paul Raducha, Vito Buonomano, Michelle Carnevale, Danny Musher, Eric Offenber, Tim Faulkner

APPROVAL OF THE MINUTES

Chairman Licht asked for a motion to approve the minutes from the September 28th Renewable Energy Coordinating Board (RECB)

Meeting. Bill P. made a motion to approve the minutes. It was seconded by Janet C. and passed unanimously.

Chairman Licht welcomed attendees to the first joint meeting between the RECB and the Energy Efficiency and Resource Management Council (EERMC). He cited Rhode Island's rating of number five in energy efficiency (EE) in the United States. In his opening comments, Chairman Ryan said it was unfortunate, but it did not appear the EERMC would have a quorum for the meeting.

PUBLIC COMMENTS RECEIVED

Chairman Licht asked for any public comments. No public comments were offered at this time. Members of the public offered comments after the next two presentations.

PRESENTATION BY THE OFFICE OF ENERGY RESOURCES – STATE ENERGY PLAN (SEP)

OER Director Marion G. said that, with the formulation of the RECB, Rhode Island has a chance to begin to integrate EE and renewable energy (RE). She said that energy has an impact on everyone's lives but it is very complicated. Therefore, her first goal upon assuming OER leadership was to establish a clear vision for Rhode Island's energy future across all sectors. She cited an ISO report that said that 31% of the region's electrical consumption could come from RE & EE. This meeting, which is mandated by the Rhode Island General Assembly, will look at opportunities where EE & RE overlap. Marion

G. then introduced Statewide Planning Program's (SPP) Kevin Flynn to explain how the SEP will fit into the State Guide Plan (SGP).

He mentioned that the last SEP was developed in 2002. SPP had begun to do a SEP but was sidetracked by wind siting work. He said that SPP was responsible for the SGP, which is the basis upon which municipalities develop their comprehensive plans. When Marion G. assumed leadership of the OER, she asked if the OER could take the lead in developing a SEP. Kevin F. liked the idea because of OER's increased capacity and their expertise in energy issues. Marion G. said OER was fortunate to have the assistance of SPP staff Paul Gonsalves and Nancy Hess to assist in developing the plan. The plan should help with RE siting issues in Rhode Island cities and towns.

Marion G. then introduced Danny Musher of the OER to give a powerpoint presentation (please note: this powerpoint is uploaded separately onto the Secretary of State's Open Meetings website) on the SEP. Danny M. was a project manager of the Renewable Energy Siting Partnership and helped develop RI's first energy data base Rlenergy.org. The SEP will be a data-driven process to make energy programs more effective. The goal is to provide energy services. You need to set up criteria and then a method to measure. The first criterion is a safe and reliable energy system, especially in light of recent storms. Affordability is also important. The vision is to provide energy services across all sectors using safe, reliable, affordable, environmentally-sound, sustainable, and, where

appropriate, in-state resources.

The three steps of the scope of work are: gathering data; setting goals; and recommending action. This process will frame and justify the course of action. By law, the OER needs to do a ten year-plan, but OER felt that a reasonable long term plan would go out to 2035. The first task in the gathering data stage is to establish a baseline of energy usage in three sectors: electric, heating, and transportation.

Grover F. asked if the transportation baseline includes the energy usage in transporting goods and services through the region. Is this information tracked? Danny M. said the transportation usage data comes from the Energy Information Administration (EIA). Karina L. wanted to make sure that when baselining the electric sector you are looking at the same data that the EERMC already uses through their Synapse Avoided Cost Studies. Danny M. said they would be looking at that data.

The second step is to set goals by identifying measurable targets for providing energy services using a resource mix that meets a set of criteria advancing the health, environment, and economy of Rhode Island. OER will be working with the SEP Advisory Committee (AC) to set these goals. Examples of other states that have set goals are Vermont, which plans to obtain 90% of their energy from renewable sources by 2050, and New Jersey, which aspires to fulfill 70% of its electric needs from clean energy sources by 2050.

The presentation noted it is important to justify your goals and make sure they make sense. You need to test the impact of goals against a “business-as-usual” forecast. OER working with the EDC to issue an RFP for a consultant to do a scenario modeling analysis. The key last step is establishing a roadmap that articulates how you are going to get to the goals and what tools are you using. Examples of tools that can be used are: land use, regulations, funding, innovation, and regulations.

Groups that will be supporting the plan include: the RECB, the EERMC, the Petroleum Savings and Independence Advisory Committee, the SPC, the SPC Technical Committee, other state agencies, the National Association of State Energy Offices (NASEO) and examples of other State energy plans. The Advisory Council is a group of 20 people who meet on a monthly basis to evaluate the plan and provide feedback. The project phases are: research and development and data collection (December 2012-May 2013); preparation of a preliminary draft plan (June 2013-September 2013); and technical and public review and adoption of the plan (October 2013-March 2014). Danny M. then opened the floor for questions.

Dan W. mentioned that the term least-cost was used versus affordability in the power point. He feels that when least-cost is the goal it forces you to make shorter term decisions. Marion G. said that the term least-cost was statutory on the EE side, coming from the

2006 Least-Cost Procurement legislation. Grover F. asked if climate change will come into play. Danny M. said that it is not a climate change plan per se, however, the plan does plan to measure the impact of emissions of the different sectors. Marion G. said that climate change has to come into play because energy production is the largest contributor to CO2 emissions. Vito B. said that Massachusetts spends \$28 billion on energy, and asked whether Rhode Island has similar data. Danny M. said he estimates Rhode Island spends somewhere between \$3-6 billion on energy for all sectors. Chairman Licht said that, as a rule, if you get a Massachusetts number and divide by six, you will get the Rhode Island figure.

Grover F. asked to what extent was OER looking at externalities that may be happening in the transmission sector. He mentioned regional efforts at establishing green transmission networks that would make Southern New England an energy generation sector. Danny M. said many of the goals of the plan will compliment regional efforts.

Seth H. said the SEP was a huge step forward for RI, but asked if OER has the resources to pull it off in such a short time. Marion G. said that the OER has been working with the National Association of State Energy Offices (NASEO) who has done a survey of all the US energy plans. OER plans to use this resource to assist them. She said a good team was in place but OER will need the help of everyone in the room. Danny M. mentioned the assistance of Hannah M. and the

Renewable Energy Fund (REF).

Bill F. said that he was on both the SEP and RECB Advisory Committees and he feels that no one has all the energy answers, but it is important for everyone in the room to come together and raise the issues important to them, and make sure they are addressed properly. Everybody can learn from the process. He said that the EIA data being used is really good and Danny M. and his team have mastered this data.

PRESENTATION BY THE OFFICE OF ENERGY RESOURCES – 2012 REGIONAL GREENHOUSE GAS INITIATIVE PROGRAM: INTEGRATION OF ENERGY EFFICIENCY AND RENEWABLE ENERGY – SYSTEM RELIABILITY (SR) PROJECT

Marion G. cited an exciting project that OER is working on, in conjunction with the EERMC RGGI subcommittee, to use some of this funding to integrate, for the first time, SR with small scale distributed generation. She introduced RGGI subcommittee member Abigail A. to explain this innovative concept.

The 2006 Comprehensive Energy Act identified a unique opportunity to systemically identify customer side resources that are cost effective compared to traditional supply. Increased electric demand puts great stress on the distribution system, especially during peak load. Traditionally the means to address this problem is to increase transmission infrastructure to meet SR. However, as new

technologies spur improvements in EE, demand response, distributed generation, and smart grid, the range of possible alternatives to pole & wires upgrades has led to non-wire alternatives (NWA), which are less expensive options, to improve SR.

The 2006 legislation requires Rhode Island to look at NWAs during peak load periods. Recently the EERMC & National Grid worked on planning guidelines that have been approved by the RI Public Utilities Commission (PUC). This is a robust and analytical process. This is also a totally new planning process for the utility's distribution engineers.

Chairman Licht asked for examples of NWAs. Abigail A. cited a SR pilot that is on-going in Little Compton and Tiverton. In that area there has been a growth of energy use during the summer peak periods that outpace the rest of the state. Due to this increase National Grid needs to replace a feeder that will cost about \$2.5 million. If this peak summer consumption can be reduced, the need to replace the feeder can be deferred. The pilot is looking at reducing the peak summer demand. Most of the increase is due to air conditioning. So National Grid is doing a geographical deep dive into EE to try to decrease energy consumption in the area. This includes providing incentives for the early retirement of old window air conditioners with more EE central air conditioning. They are also encouraging central air conditioning users to employ demand response. This means the customer enters into an agreement that

during the critical peak hours you let the utility cycle your central air conditioning on and off. Other options include Distributed Generation, Combined Heat & Power, or adding energy storage. What the OER, National Grid and the EERMC are doing is trying to determine if adding RE to the SR mix would work in the mix of NWAs. They are now studying the cost and benefits of integrating RE into SR. Rhode Island is one of the leading states in this effort.

Jerry E. said that this is a good idea, and it is also a new concept for the ISO-NE. Just a year ago the ISO-NE projected that RI would be getting 100% of its summer peak load from EE. In New England the amount of peak load constraints have diminished because of efforts like the ones Abigail A. described. Chairman Licht asked to what extent the PUC was looking at different pricing for peak periods. Abigail A. cited dynamic pricing, where people pay a different rate that is driven by the time of day, is a key NWA that could really reduce peak loads. PUCs throughout the country are looking at it. The RI PUC has not taken this up in a formal docket, but Massachusetts recently launched what is called a legacy docket on dynamic pricing.

Vito B. asked if building envelope standards would be considered in the report. He asked if National Grid has any incentives for air sealing such as doing blower door tests. He said it has the best and quickest payback. Abigail A. said that the RI EE Program Plan does offer incentives for air sealing and insulation. Any resident or

business can participate in this program and receive incentives. Chairman Licht mentioned the federal low income weatherization program which funds EE improvements to make households that received heat assistance more energy efficient.

Marion G. said that the OER was getting ready to start a Property Assessed Energy financing package (PACE) for both EE and RE. This will be available for both the residential and Commercial and Industrial sectors. She also wanted to introduce David Hill a consultant from the Vermont Energy Investment Corporation (VEIC), who will be working on the RE energy part of the plan.

ADVISORY COUNCIL ASSIGNMENT (IN COORDINATION WITH THE OFFICE OF ENERGY RESOURCES) – REVIEW OF STATE RENEWABLE ENERGY PROCUREMENT LAWS

OER's Chris Kearns was introduced to give this powerpoint presentation (please note: this powerpoint is uploaded separately onto the Secretary of State's Open Meetings website). In the next few months, Rhode Island RE laws will be reviewed, with an eye towards consolidating them, in order to promote RE procurement in a coordinated manner. OER will work with the RECB AC on this task. The laws that will be reviewed include: the Renewable Energy Standard which is in place until 2019; the 90 Megawatt Long Term Contracting Law which is set to expire at the end of 2013; the Net Metering legislation and the 40 Megawatt Distribute Generation Contracts Program which is set to expire at the end of 2014.

This work will go hand in hand with the development of the SEP. OER will be looking at the opportunities associated with large scale hydropower and off-shore wind generation. They will also be looking at what other states in the Northeast have done legislatively. They have asked NASEO for energy office contacts in other states. They will also look at the complexities of the federal interstate commerce clause rules. The goal will to submit recommendations for potential consolidation of RE laws to the RECB at the March 2013 meeting.

Chris K. mentioned the work that Hannah Morini, Renewable Energy Program Manager for the Economic Development Corporation, has been doing to revise the rule for the REF. There will be a hearing on these new rules on December 13th at the EDC. This will come into play as OER works to consolidate RE laws. Marion G. said there is about \$4.5 million available in this fund for RE projects.

Paul R. felt that Grover F.'s idea about including New York in regional planning is sound because New York and New Jersey are going to be policy drivers in energy issues. This planning process needs a constant communications link to NY & NJ.

Chairman Licht wanted to thank everyone from both Councils and the AC for attending. The next RECB meeting will be on December 19th.

ADJOURN

A motion to adjourn was made by Bill P. It was seconded by Janet C. and the meeting adjourned at 10:25 AM.